



CITY OF DURHAM | NORTH CAROLINA

Date: May 21, 2013
To: Thomas J. Bonfield, City Manager
Through: W. Bowman Ferguson, Deputy City Manager
From: Joel V. Reitzer, General Services Director
Subject: Twelve Month Extension of the Existing Agreement Between the City of Durham and the Carolina Theatre of Durham, Inc.

Executive Summary

The current agreement between the City of Durham and the Carolina Theatre of Durham, Inc. ("Carolina") expires June 30, 2013. Negotiations between the City and the Carolina for a new and extended operational agreement have been ongoing, but will not be complete when the agreement expires. An extension of the existing agreement is recommended in the interim until a new agreement can be completed.

Recommendation

The General Services Department recommends that City Council authorize the City Manager to enter into Amendment #1 to the agreement between the City of Durham and The Carolina Theatre of Durham, Inc. for an additional twelve months, from July 1, 2013 through June 30, 2014, with payment for the additional year not to exceed \$614,520.

Background

Meetings between the Carolina and the City of Durham began earlier this year and are ongoing. Additional time is needed to arrive at a more appropriate agreement between the parties. Such agreement would be multi-year and provide for the term, cost and benefits to the City.

Issues/Analysis

The City and the Carolina have come to agreement on the amended terms for the one year extension. Payment terms are proposed to remain the same as the current agreement. The City would be responsible for warranties, and mechanical and electrical systems integrity, and the Carolina would be responsible for all other maintenance and repairs. The City would allow for an increase in the restoration fees and the Carolina would retain all restoration fees collected.

General Services has developed a Preventive Maintenance Plan for the Carolina Theatre facility that will be incorporated into the agreement, as a guide for routine maintenance activities.

Alternatives

If the agreement is allowed to expire, there would be no contracted facility operator, and in such circumstance, the City would assume operational responsibilities, or close the Theater. The Administration does not advise choosing this alternative. Such actions would be a liability to the City as pre-paid events are already booked and scheduled for the next fiscal year.

Financial Impact

The Carolina Theatre operational budget will remain the same in FY 14 as in FY 13. No other financial impacts are anticipated for the term of the amendment.

SDBE Summary

This is an agreement extension. The item was not reviewed by the Department of Equal Opportunity/Equity Assurance for compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting.

Attachments: Agreement Between the City of Durham and the Carolina Theatre of Durham, Inc.
(2008)
Amendment #1 to Agreement for Management Services